Today’s Program

- Overview of City’s Budget (15-20 minutes)
- Questions and Answers (30-45 minutes)
- Feedback and Input (45-60 minutes)
- Wrap Up
The annual budget represents the spending plan for the fiscal year (July 1 – June 30) that provides funding for all City services and programs that supports the City’s mission, vision, and values.

The budget document serves as:

- Planning Document
- Financial Plan
- Operations Guide
- Communication Device

www.el-cerrito.org/annualbudgetprocess
FY 2022-23 Adopted Budget Focus

Achieve Long-term Financial Sustainability

- General Fund Reserve
- Fiscal Response Plan
- Constant Monitoring of Financial Position
- Fiscal Discipline
FY 2022-23 Adopted Budget: City Council Priorities – Overview

► Implement City Council Direction with focus on financial sustainability
► Implement workplan of “Must Do” tasks and projects in progress
► Continue current priorities and strategic goals
► Strategically restore services and staffing
► Maintain fiscal discipline with a budget focus of financial sustainability
FY 2022-23 Adopted Budget
Citywide Revenues
All Funds $68,917,730

- Taxes, 48.2%
- Intergovernmental Revenues, 19%
- Charges for Services, 14.2%
- Interfund Transfers, 3.5%
- Other Revenues, 0.4%
- Licenses & Permits, 1.3%
- Use of Money and Property, 0.9%
- Fines and Forefeitures, 0.2%
El Cerrito Property Tax Dollar Breakdown

- $0.2663 West Contra Costa Unified
- $0.2223 El Cerrito General Fund
- $0.1607 K-12 Schools ERAF
- $0.1263 County General
- $0.0481 Alameda Contra Costa Transit 1
- $0.0400 Contra Costa Community College
- $0.0261 East Bay Regional Park
- $0.0224 Community College ERAF
- $0.0139 WC C Healthcare Dist
- $0.0139 West Contra Costa Health Care
- $0.0130 East Bay Municipal Utility District
- $0.0129 County Library
- $0.0116 County Superintendent Of Schools
- $0.0067 Stege Sanitary
- $0.0061 East Bay Municipal Utility District 1
- $0.0054 Bart
- $0.0026 Bay Area Air Management
- $0.00152 Contra Costa Flood Control
- $0.00135 Contra Costa Mosquito Abatement
- $0.00031 Contra Costa Water Agency

Total: $1.0133
FY 2022-23 Adopted Budget

Citywide Expenditures by Department

All Funds: $69,573,629

- Capital Outlay, 20.0%
- City Management, 7.4%
- Community Development, 5.4%
- Debt Service, 3.2%
- Finance, 2.4%
- Public Works, 11.3%
- Police, 18.9%
- Recreation, 8.7%
- Transfer, 3.4%
- Fire, 19.2%
FY 2022-23 Adopted Budget: General Fund Expenditures
$44,865,113

- Personnel: 73%
- Professional Services: 10%
- Purchased Property Services: 5%
- Other Services: 7%
- Supplies: 2%
- Other Financing Uses: 1%
- Financing... Property & Capital: 1%
- Personnel: 73%
FY 2022-23 Adopted Budget: General Fund Expenses by Department

- Police, 28.9%
- Fire, 29.7%
- Community Development, 7.1%
- Public Works, 5.1%
- Debt Service, 0.6%
- Transfers, 1.5%
- Recreation, 12.4%
- Finance, 3.5%
- City Management, 11.1%
### FY 2022-23 Amended Budget

**General Fund Expenditures**

$47,046,145

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<th>Dept</th>
<th>One-Time Revenue</th>
<th>Ongoing Revenue</th>
<th>TOTAL REVENUE</th>
<th>One-Time Expense</th>
<th>Ongoing Expense</th>
<th>TOTAL EXPENSE</th>
<th>Net General Fund</th>
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<td>771,650.20</td>
<td>211,124.75</td>
<td>982,774.95</td>
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<td>344,621.19</td>
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<td>TOTAL GF IMPACT</td>
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Annual Comprehensive Financial Report (ACFR)

Audit Results – “Clean” Audit
- No Exceptions in Audit Opinions
- No Material Weaknesses
- No Disagreements with Management
- No Significant Passed on Adjustments

Financial Position
- General Fund Reserve Balance: $16,624,174
  - FY 2021-22 Surplus: $9,480,912
    - ARPA: $3.01 million
    - Represents 35% of General Fund Expenditures
Assumptions/Data:

- FY 2021-22 actual revenues and expenditures
- FY 2022-23 approved revenues and expenditures
- Pension estimated at $9.9 million for FY 2023-24 compared to budget of $8.3 million for FY 2022-23
- FY 2026-27 property tax revenues increase by $1.2 million due to the end of the Successor Agency
- Personnel increases by 4.5% in FY 2023-24 then settles at a 3% annual increase
- Healthcare costs increase by 10% in FY 2023-24 then settles at a 5% annual increase
- All other non-personnel line items increase 5% for FY 2024, 4% for FY 2023 and 3% ongoing
- Includes one-time revenues of $876,621 and ongoing revenues of $398,500
- Includes one-time expenditures of $1,789,240 and ongoing expenditures of $391,792
State Auditor Report Update

High Risk Areas:

- Continual diminishing of financial reserves through overspending - Status: Partially Addressed
  - Corrective Action: Monitor revenues, reduce expenditures, and prioritize increasing General Fund reserves
- Ineffective budget development and monitoring practices - Status: Addressed
  - Corrective Action: Implement stricter budget policies and procedures and increased focus on departmental budgets - Completed
- Lack of a formal financial recovery plan - Status: Addressed
  - Corrective Action: Develop Fiscal Recovery Plan to achieve financial sustainability - Completed
- Insufficient reductions in ongoing costs - Status: Pending
  - Corrective Action: Monitor personnel expenditures, work with employee bargaining units, ensure appropriate compensation
- Missed opportunities to increase revenue - Status: Partially Addressed
  - Corrective Action: Review all opportunities to increase cost recovery

Statewide Ranking (as of FY 2020-21): #13 – Medium Risk
(Previous Year: #6 – High Risk)

www.el-cerrito.org/1565/State-Auditors-Report
Next Steps

- City staff preparing budget for all funds and departments
- **April 25, 2023**: Financial Advisory Board meeting
- **May 2, 2023**: City Council Budget discussion, Public Hearings for Master Fee Schedule and Assessments
- **May 9, 2023**: City Council Special Meeting: Departmental budget presentations
- **May 16, 2023**: Third Quarter General Fund Update
- **May 23, 2023**: Financial Advisory Board meeting
- **June 6 and June 20, 2023**: City Council Budget hearings
  - Additional meetings as needed TBD
- Adopt FY 2023-24 budget prior to **June 30, 2023**

[www.el-cerrito.org/annualbudgetprocess](http://www.el-cerrito.org/annualbudgetprocess)
Questions and Answers
Feedback and Input

www.polco.us/sw4ws5
El Cerrito Strategic Plan

OUR GOALS AND STRATEGIES

GOAL A: DELIVER EXEMPLARY GOVERNMENT SERVICES

GOAL B: ACHIEVE LONG-TERM FINANCIAL SUSTAINABILITY

GOAL C: DEEPEN A SENSE OF PLACE AND COMMUNITY IDENTITY

GOAL D: DEVELOP AND REHABILITATE PUBLIC FACILITIES & COMMUNITY FOCAL POINTS

GOAL E: ENSURE THE PUBLIC'S HEALTH AND SAFETY

GOAL F: FOSTER ENVIRONMENTAL SUSTAINABILITY CITYWIDE
# Services Provided by the City

## Community Development Programs
- Current & Advance Planning
- Building Inspection
- Code Enforcement
- Development Plan Check
- Housing Programs
- Economic Development

## Public Works Programs
- Engineering
- Facilities
- Integrated Waste Management
- Recycling
- Road Maintenance
- Landscape Maintenance

## Administrative Programs
- Finance
- Human Resources
- Information Technology
- Legislative Support
- Records Administration
- Public Information

## Police Programs
- Patrol
- Investigations
- Special Operations
- Traffic Enforcement
- Crime Prevention

## Fire Programs
- Fire Response
- Medical Response
- Vegetation Management
- Prevention and Education

## Recreation Programs
- Aquatics
- Child Care
- Enrichment Programs and Camps
- Senior Services
- Special Events
- Custodial Services
WHAT WOULD YOU LIKE THE CITY OF EL CERRITO TO PRIORITIZE IN THE CITY'S BUDGET FOR FISCAL YEAR 2023-2024?
Question #2:

WHAT SERVICES ARE NECESSARY FOR THE CITY TO PROVIDE AND WHAT SERVICES COULD THE CITY STOP DOING?
Question #3:

WHAT ARE YOUR IDEAS FOR HOW THE CITY CAN MAINTAIN A HEALTHY AND SUSTAINABLE BUDGET, WHILE PROVIDING THE SERVICES THAT OUR RESIDENTS AND BUSINESSES DESIRE MOST?
THANK YOU!

www.el-cerrito.org/annualbudgetprocess